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23 June 1960

MEMORANDUM FOR: Members of the Cost Estimates Committee

SUBJECT : Estimated Foreign Intelligence Costs for FY-1959

REFERENCE : Memorandum, Subj. as above, to Members of the  
Coordination Subcommittee of the Cost Estimates  
Committee, Dtd. 18 Apr 60

1. At their meeting on 21 June 1960, the USIB decided to return the draft report on Estimated Foreign Intelligence Costs for FY-1959 to the Cost Estimates Committee for revision.

2. In opening the Board's discussion of this matter, the Chairman noted that the draft report presented the data in an "integrated" form, and stated that CIA proposed to include a more detailed breakdown of information regarding CIA activities than that in the present draft in order to make it more meaningful. Other members emphasized the desirability of breaking out additional data on certain categories such as "Production and Dissemination" and "Auxiliary Activities," and of attaining the maximum uniformity of categories in presenting data on analogous activities of various agencies. After exchanging views, it was agreed that the Cost Estimates Committee should submit a revised report to the Board for consideration at an early date after considering questions such as including more detailed information in items under "Production and Dissemination" and "Auxiliary Activities" and the use of uniform categories for presentation of data on similar activities or the inclusion of explanatory footnotes where this is not feasible.

3. In light of the above, I am returning the tabulations, charts and explanatory notes that were in your "black book" prior to the Committee's decision to present the FY-1959 data on an  basis. This material provides, in most cases, a break-out of Auxiliary Activity costs.

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4. If the Committee members agreed to present their data in the form used prior to adoption of the "integrated" method, the following further action would be required to achieve complete uniformity in the reporting of all the USIB members:

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a. The Navy would have to break out its Production and Auxiliary Activities costs in accordance with the format.


b. The Air Force would have to break out its Production costs in accordance with the format.

c. The State Department would have to break out its Auxiliary Activity costs in accordance with the format.

5. To the extent that the above actions cannot be taken on the basis of data available at the Washington level, it would be my suggestion that the Explanatory Notes be appropriately expanded to explain the problem and provide at least a general idea as to the dollar and man-year costs involved for those items where it is not possible to develop a specific estimate. The data submitted by the USIB members in prior years (1956-58) should provide a basis for this action.

6. Each member is urged to brief his principal on the problem involved and obtain his views as to the type of cost estimates data that would be most useful to him with particular respect to his responsibilities as a member of the United States Intelligence Board. Such guidance would be of great benefit to the Committee in carrying out its mission to develop more useful cost data for FY-1960 and succeeding years.

7. As you have been informed by the Chairman, there will be a meeting of the Cost Estimates Committee at 1000 on Thursday, 30 June 1960, in the East Building Conference Room.

  
Chairman, Coordination Subcommittee  
Cost Estimates Committee


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Attachments: (2) Deleted TS material  
TS-172571 & TS-172571a - complete  
" " - without charts

Copies to:

Mr. Edward Saunders, Chm. CEC (w/o attach.)  
Mr. Howard Barkey, OSO/OSD  
Col. Richard Park, Jr., P&P Br., J-2, JCS (w/o attach.)  
Lt. Col. R. C. Lewis, Budget & Accounting Br., ACSI, DA  
Cdr. Wm. A. Novak, Comptroller, ONI  
Lt. Col. Francis Vaughan, AFCIN

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Mr. Earl Churchill, Budget Div., Dept. of State  
Dr. Charles H. Reichardt, Dir. of Intell., AEC (w/o attach.)

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